

Date signed April 09, 2013



Paul Mannes

PAUL MANNES
U. S. BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
at Greenbelt**

IN RE: :
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QBIT, LLC : Case No. 09-20484PM
: Chapter 7
Debtor :
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IN RE: :
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QBIT CORPORATION : Case No. 09-20589PM
: Chapter 7
Debtor :
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MEMORANDUM TO THE PARTIES

This case came before the court on the Trustee's Motion to Approve the Sale of Intellectual Property of QBit, LLC and QBit Corporation to WRAP, LLC for the sum of \$25,000.00. While no individual with standing opposed the sale, there was filed with the court an objection to the sale. The individual filing the objection, Martin L. Kyle, Jr., was at one time involved with the technology. He raises serious objections as to the adequacy of the sales price. In addition, if approved, the sale would be unlikely to result in a payment to the holders of unsecured claims without priority, in that the State of Maryland filed a priority claim for \$26,463.59. On the other hand, the Trustee's counsel explained that even if all that was in the Kyle pleading could be proved, the estate is without funds to prosecute the litigation. Nor can the court expect the Trustee to finance the inquiry further out of her personal resources.

It appears that the Trustee has no other option but to accept the offer, but, in the exercise of caution, the court refers this matter to the office of the United States Trustee. That entity, with the resources available to it, may determine if it makes any economic sense to pursue the matters discussed in the Kyle pleading. The court will approve the sale on April 28, 2013, unless the United States Trustee files an objection.

cc:

United States Trustee, 6305 Ivy Lane, #600, Greenbelt MD 20770
Cheryl E. Rose, Trustee, 12154 Darnestown Road, Box 623, Gaithersburg, MD 20878
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James Greenan, Esq., 6411 Ivy Lane, Suite 200, Greenbelt, MD 20770
Martin L. Kyle, Jr., P.O. Box 1813, Hillsboro, OR 97123
Richard H. Gins, Esq., 3 Bethesda Metro Center, Suite 530, Bethesda, MD 20814

End of Memorandum